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May 8, 2003

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WILLIAM G. CONLY

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Cotton Valley Formation, Reservoir A, SIBLEY
FIELD, Webster Parish, Louisiana.

Dear Sir:

NELSON ENERGY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, in the Sibley Field, Webster Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize a substitute unit well for CV RA SUA at the location shown on the attached plat, in exception to the well location provisions of Office of Conservation Order No. 148-K, effective August 19, 1997.
2. To find that a substitute unit well for CV RA SUA is necessary to efficiently and economically drain a portion of the Cotton Valley Formation, Reservoir A, underlying CV RA SUA which cannot be efficiently and economically drained by any existing well on such unit.

3. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cotton Valley Formation, Reservoir A, in the Sibley Field, Webster Parish, Louisiana, was fully defined in Office of Conservation Order No. 148-K, effective August 19, 1997.

Pertinent data concerning this application is available for inspection at the

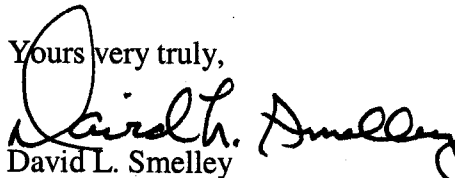
Honorable James H. Welsh
May 8, 2003
Page 2

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of the attached plat, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plat, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sibley Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed is a check payable to the Commissioner of Conservation for the application fee.

Yours very truly,

David L. Smelley

-- Attorney for Nelson Energy, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Danny Moreland (w/encls.)
Interested Owners, Represented

